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KU

SUBJECT: BASRAH AIRPORT AIMS TO BECOME TRANSPORT, COMMERCIAL HUB

REF: A. Basrah 14

[B](#). Baghdad 502

[C](#). 08 Basrah 91

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Summary and Introduction

[1](#). (SBU) Basrah International Airport (BIA) aims to play a future role in facilitating economic growth in southern Iraq, and become what Coalition and Basrah leaders hope will be a force-multiplier for hydrocarbon, services, ports, and other commercial activity. Historically under-utilized and relatively new, the airport also connects to decent rail, port and road connections. Since 2005, BIA has seen increased domestic, international, charter and cargo flights. A recent Federal Aviation Administration (FAA) inspection of the airport found it to be in generally good shape, but needing certain areas of improvement. On 1 January 2009, BIA was fully transferred to Iraqi civilian control, marking a major milestone since the 2003 start of Coalition control of the province, and the UK Royal Air Force's training and mentoring of Iraqi airport civilian staff. The airport's surrounding area could also have potential as a springboard for local development and link to other industries, and foreign investors have already submitted proposals to manage the airport as a commercial and cargo hub, construct a major hotel, and renovate a nearby administration building into a business center. While the now-US-led Provincial Reconstruction Team (PRT) and US Army will carry on the leadership and mentoring role played by the UK at BIA, ultimately it will be up to the Government of Iraq (GOI) and the Ministry of Transportation (MOT) to overcome bureaucracy and habitual misgivings about private investment, and to realize any real development. With so much investor interest in Basrah, and security the best it has been in five years, the time is ripe for action now. End summary and Introduction.

Under-utilized airport, decent transport links

[2](#). (SBU) Around 5 miles NW of Basrah city and 30 miles from the Persian Gulf, Basrah International Airport (BIA) is relatively new, having been built in 1987 by a German firm to a British design. Until 2003, the airport was largely under-utilized, used sparingly for domestic travel and for the occasional Iraqi VIP stopover. Its single runway is 4,200 meters long and 23 meters wide, sufficient to handle modern commercial air carriers including long-haul aircraft. Iraqi BIA managers proudly note its runway is 400 feet longer than Heathrow Airport, and regularly receives UK-leased Antonov cargo planes. The arrival

gates and waiting areas are modern and clean. Many first-time visitors often express surprise upon arrival, unprepared for the airport's general orderliness, and gleaming, if sometimes sparsely populated, lobby. The terminal and cargo apron have parking stands for up to 12 aircraft directly in front of the terminal building, and a seldom-used cargo hangar.

¶3. (U) BIA also has good connecting multi-modal transport potential, linked by rail (albeit in need of upgrading) to Baghdad (270 miles), Iran (18 miles) and Kuwait (32 miles). Basra is connected to Iraq's only deep-water port of Umm Qasr, about 30 miles south, via a decent highway.

Increased commercial, religious charter flights

¶4. (SBU) BIA currently supports about 40 weekly civilian flights (40 arrivals, 40 departures), carrying over 3,000 passengers, and about 100 weekly military flights. BIA officials indicate that they have plans to achieve International Civil Aviation Organization (ICAO)-recognized Category II status (although there are no plans for this anytime soon). Management would like to attract carriers that would eventually extend routes throughout the Middle East, Europe and beyond. Increased charter flights occur during the Shi'a religious pilgrimage season, mostly to nearby Najaf and Karbala, and around 5,000 passengers used the airport during the 2008 Hajj pilgrimage, mainly from Iran, Jordan and Kuwait. In addition to domestic flights, BIA also supports scheduled international flights to Jordan, Syria, Lebanon, Dubai, and Oman. While traffic is still light, the number of flights has increased and, as long as the security situation remains stable, is expected to grow. Currently, flag carrier Iraqi Airways (to Beirut, Damascus, Dubai, Erbil, and Oman) is the dominant airline, along with Royal Jordanian, and UK-based Skylink Arabia. In addition, several charter, leasing and cargo companies, based mainly in the United Arab Emirates, use the airport.

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FAA airport inspection: generally in good shape

¶5. (SBU) On 3 March, FAA, at the request of the Embassy's Office of the Transportation Attache (OTA) conducted an airport certification inspection of BIA. GOI aviation officials in Basrah had expressed interest in an objective look at progress made since the previous FAA inspection in 2005. FAA focused on civil and military airport operations that have an impact on civil operations, such as airport lighting and markings; fire fighting; airport certification program; flight safety management system; and wildlife management program. FAA officials also visited the air traffic control (ATC) tower to speak with Royal Air Force officials managing the facility. HMG will turn ATC functions over to the US Army's 164th Combat Aviation Group on 1 May. (Note: Most UK personnel are expected to depart Basrah by 31 May, with the final withdrawal by 31 July. End note.) Coalition military operates the ATC from 1900-0700 hours, while Iraqi civilian controllers operate the tower from 0700-1900 hours. OTA officials urged the GOI control tower manager to increase Iraqi-led hours from 0700-2300 hours. Overall, the FAA found BIA to be in good shape; however, certain areas require action and improvements, such as the airfield ground lighting, air-field beacons, signage/markings, and fueling operations. FAA inspectors noted that the same areas identified as needing improvement were also identified in their 2005 inspection. (Comment: This may reflect the lack of sufficient management skill at the airport as well as a habitual tendency to defer maintenance on infrastructure nationwide. End comment.) FAA's assessment results will later be captured in a final report.

Transfer from UK to Iraqi control now complete

¶6. (SBU) From 2003 until January 1, 2009, BIA was operated by UK military personnel in support of Coalition forces, using it as a hub for air operations and as a theater entry/exit point. The Royal Air Force's 903 Expeditionary Air Wing has also trained

and mentored Iraqi civilian staff and managers. In June 2005, while still under UK control, Iraqi civilian flights began to operate again, with Iraqi Airlines marking the first flight. Since then, military and civilian aircraft have operated side-by-side.

17. (SBU) A major milestone in the completion of the UK's Iraq mission occurred on 1 January 2009, when BIA was fully transferred to Iraqi civilian control; it is now run by the Iraqi Civil Aviation Authority (ICAA), under the Ministry of Transportation (MOT). The transfer marked the completion of one of the UK forces' last key tasks in Southern Iraq, and coincided with the GOI regaining sovereignty of its airspace. Coalition military personnel continue to provide some air traffic control services in a partnership that allows side-by-side military and civilian operations - the same arrangement since 2005, except under GOI control.

Business plans for area surrounding airport

18. (SBU) UK and US officials, Basrah business leaders, and most, but not all, GOI officials see an important role for the airport's surrounding area, including the substantial amount of land and infrastructure available, as a potential site for development, leasing, and warehousing -- as well as a source for GOI tax revenue. These officials and business leaders see this area as a springboard for local development, which could accommodate what they hope will be a vital link to hydrocarbon, ports, and other services and industries. As the security situation continues to improve, more multinational investors are visiting Iraq's second city, via its airport, to investigate and negotiate projects. Recent visits include Shell, DHL, Maersk Oil, British Petroleum, Chevron, Piers Drysdale TRC, Schlumberger, Baker Hughes, Deutsche Land, and John Moore & Associates (ref A). The entire airport and outside perimeter, which encompasses the adjacent Coalition military base - where both the PRT and Regional Embassy Office (REO) are located -- is under MOT control. (By contrast, Najaf airport is a provincial asset - see ref B.) Special economic zones have been proposed for this area, but none yet have come to fruition. The MOT has been very slow in analyzing proposals, and as of now, none have been approved.

19. (SBU) Foreign investor development projects have included a UK-based John Moore & Associates plan to construct and manage a 100-bed hotel on a site next to the airport, and a U.K.-based

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Deutsche Land multi-year proposal to privately manage BIA, and to turn it into an important commercial, cargo and passenger hub. HMG and GOI officials have identified the former BIA administrative building located next to the airport as a future "Basrah business center." ICAA Director General Captain Sabeeh Al Shebany has directed that it become a "technologically advanced modern business center and investment front window for potential investors to enhance Basrah's ability to attract and develop private sector investment, aide the creation of employment and stimulate economic development in a resurgent Baswari economy." Damaged during the war in 2003, HMG has funded a \$3 million initial refurbishment of the building, but its officials caution that future success requires aggressive MOT action, in order to turn the facility over to a private sector management company. U.S. oil services company Baker Hughes has expressed interest in acquiring a lease on the business center to house its own operations and for sub-lease to other companies seeking to establish in Iraq.

Comment

10. (SBU) The role that BIA and its surrounding land could play as a force multiplier in any southern Iraq economic resurgence is clear. With the noticeable reappearance of investor interest in Basrah, and the security situation the best it has been in years, the time is ripe to ensure that BIA becomes the regional hub it is destined to be. While the US-led PRT and US Army's 164th Combat Aviation Group will continue the mentoring role

previously provided by UK officials, in the end it is the GOI and MOT that must overcome their slow bureaucracy and habitual misgivings about private investment.

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